

# **Kentucky Agricultural Development Board**

## **Meeting Minutes**

**August 17, 2001**

**The Kentucky Agricultural Development Board met on Friday, August 17, at 9:00 a.m., in the Brown-Forman Room of the Kentucky History Center, in Frankfort. Governor Patton, Chairman, called the meeting to order, and the secretary called the roll.**

### **Members Present:**

Governor Paul E. Patton, Chairman; Commissioner Billy Ray Smith, Vice Chairman; John-Mark Hack, Executive Director; Vickie Yates Brown; Larry Clay; Seth Conner; Susan Harkins; Wayne Hunt; Sam Lawson; Dean Scott Smith; Sam Moore; Willa Poynter; Eddie Sellers; Mike Slaughter; and Smith Mitchell for Secretary Gene Strong.

### **Members Absent:**

Daniel Case

### **Legislative Guests:**

Representative Dottie J. Sims

### **Guests:**

Dan Risch and Brad Wellons, Legislative Research Commission; Mark Farrow, Doug Thomas, Tess Caudill, Harvey Mitchell and Jim Mansfield, KDA; Mark Kaser and Sam Young KWPCCKentuckyVirtual.com; Larry Jones, UK; Jeffrey K Davis, Green County Farm Bureau; Dr. Peggy Kidwell; Joe Hemp, First Hemp Bank; Sharon Burton, Farmer's Pride; Keenan Bishop, Franklin County Extension Service; Ed Lanham, Marion County Extension Service; Gil Myer and Michael Jenkins, Kentucky Dairy Meat Goat Association; Sara Dryden, Burley Tobacco Growers Cooperative; Tony McVeigh, KNN; Sean Cutter, Kentucky Cut Rag; and Kelli Rodman, Kentucky Wood Products.

### **Agricultural Development Board Staff Present:**

David Bratcher, Penny Cline, Gordon Duke, Sandra Gardner, Ben Gramig, DeVon Hankins, Jeff Harper, Hampton Henton, Rhodes Johnston, Bill McCloskey, Jeff Mosley, Joel Neaveill, Lisa Thomas, Kim Tompkins, and Tim Woods.

### **Notification of Media:**

Governor Patton received confirmation from John-Mark Hack that a media release regarding the Agricultural Development Board (ADB) meeting was sent.

### **Minutes of June 15, 2001 Meeting:**

The minutes were approved as presented.

### **Executive Director's Report:**

Executive Director John-Mark Hack reviewed the day's agenda.

Mr. Hack advised that there would be a discussion of the Mare Reproductive Loss Syndrome later in the day.

Next, he presented a progress report\* of board actions and the impact to the agricultural community since the Agricultural Development Board's appointment in July of 2000. The report summarized the distribution of Agricultural Development Funds across the state. The report outlined the impact of the statewide programs implemented by the Board. It further went on to address the number of applications received from each county, the number of applications that had been approved in those counties, and the amount of funding in each county. Mr. Hack advised that although the report reflects that some counties have received no funding, the report is slightly deceiving. In most of the counties where no funding had been received, no applications had been submitted from that area. In other instances, projects had been approved but contracts were not finalized, authorizing the release of funds to that county.

In response to a question, Director Hack stated that ADB staff always made follow-up calls to the county extension agent or authorized entity to address concerns regarding the contract in an attempt to expedite the finalization of the contract and the release of funds.

*\*The report is on file in the Governor's Office of Agricultural Policy.*

Next the Director stated that ongoing efforts to increase communication to the County Agricultural Development Councils and the public at large included routine conference calls with the Extension Area Advisory Committee, the production of the Governor's Office of Agricultural Policy monthly newsletter, staff continues to meet with the county Agricultural Development Councils, and a monthly column is printed in the Farmer's Pride.

Director Hack advised that the Long-Term Plan would be a compilation of the analysis of county plans; suggestions received at the regional meetings and the

work session held in Louisville in July. He stated that a work session would be held on August 30<sup>th</sup> to discuss and “flesh out” the five broad areas of interest identified, which will be addressed individually during the month of September.

Rona Roberts and Steve Kay, Roberts and Kay, Inc, will facilitate the August 30, and September issue group meetings.

The draft document of the Long-Term Plan will be submitted to the Board and distributed across the state by mid October. Staff will conduct additional meetings across the state for feedback on the document. The final document will be completed by mid December and submitted to the Board for approval.

Governor Patton stated that the staff of the Governor’s Office of Agricultural Policy is charged with the task of drafting the Long-Term Plan; however, the ADB is final authority and will edit the document. He advised that board members should have a great amount of input into the final document. He encouraged any member that had reservations or concerns with the document to let him know.

Governor Patton qualified the statement that he made in Louisville regarding the Biotechnology issue. He stated that Biotechnology is an extremely complex issue and that the scientists are responsible for the evaluation of the impact whether environmental or otherwise. The debate of this issue will be held at the national level but Kentucky should focus on capitalizing upon the advantages that biotechnology has to offer our state.

Susan Harkins stated that Board members could assist with perception problems that face the ADB by being more publicly accessible, perhaps by representing the board at public meetings. John-Mark Hack advised that staff is always willing to provide members with talking points on issues or assist members in any way.

Governor Patton suggested that perhaps the Board should rethink some of the more stringent guidelines particularly where county funds are concerned. He gave examples such as capital construction projects, county exposition centers, on farm capital investments, etc.

John-Mark Hack advised that the Model Diversification Program, once finalized and approved, could partially address the perception that the ADB doesn’t fund individual projects.

### **Kentucky Center for Agricultural Development and Entrepreneurship (KCADE) Report:**

Hampton Henton invited members to view several projects that KCADE staff is currently addressing. Exhibits of a few the projects were in the next room and KCADE staff was on hand to answer questions.

KCADE continues to conduct "Tailgate Talks." Following is a list of scheduled and future topics:

9/12 – Uncorking the Mysteries of Kentucky Wineries and Vineyards

10/18 – Meats and Meat Processing

11/20 – Vermiculture: Dissecting the Worm Industry

TBA – Organic Farming & Marketing

TBA – Paw-Paws

TBA – Biomass

TBA – Nursery Industry

Mr. Henton stressed the importance of allowing farmers to tour successful entrepreneurial projects and see the farms in action. He stated that KCADE was planning a tour of successful wine farms in New York in October.

### **Referral of Project Proposals:**

Sam Lawson moved with a second from Sam Moore that projects numbered 453 - 517 be referred to the Project Review Committee. The motion passed without objection.

### **Project Review Committees' Reports:**

Sam Lawson & Vickie Yates Brown presented the Committees' reports. The Review Committees met on August 2 & 3 and made the following recommendations:

#### **Projects Recommended for Funding:**

Mr. Lawson advised that the Project Review Committee recommended that the following projects be approved for funding.

In order to avoid a conflict of interest, Wayne Hunt excused himself from the room during the discussion of and vote on the Hopkinsville Elevator Co. project.

**Project #1 Hopkinsville Elevator Co.** \$6,311,000, State Funds and \$189,000, Christian County funds.

Commissioner Smith moved with a second from Smith Mitchell that the Board adopt the Committees' recommendation. A roll call vote was taken. The motion passed with 13 yea votes. Mr. Hunt abstained.

**Project #82 Kentucky Center for Cooperative Development** \$400,000, State Funds.

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #93 KentuckyVirtual.com** \$500,000, State Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #159 Owensboro Catholic High School Ag Program** \$18,384, Daviess County Funds.

Mr. Lawson moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #197 Louisville Area Farm Business Analysis Group, Inc.** \$10,000, Shelby County Funds.

Mr. Lawson moved with a second from Wayne Hunt that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #274 Simpson County Conservation District** \$101,199, Simpson County Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #326 Marion County Farm Safety Day Committee** \$6,000, Marion County Funds.

Mr. Lawson moved with a second from Willa Poynter that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #327 Mid South Pork** \$6,000, Marion County Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #332 Pulaski County Horticulture Association** \$64,633, Pulaski County Funds.

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #338 Hopkinsville Elevator Company** \$43,000, Logan County Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #344 Pulaski County Horticulture Association** \$9,898 Pulaski County Funds.

Mr. Lawson moved with a second from Seth Conner that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #346 South Central Produce Association** \$6,000, Warren County Funds.

Mr. Lawson moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #351 Central Kentucky Growers Association** \$3,000 Bath County Funds.

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #354 West Kentucky Growers Coop** \$50,000 Ohio County Funds.

Ms. Brown moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #372 Green River Cattle Company** \$42,700 Green County Funds.

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #377 LaRue County Beef Cattle Association** \$16,000 LaRue County Funds.

Ms. Brown moved with a second from Willa Poynter that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #382 Mid South Pork** \$4,500 Shelby County Funds.

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #391 Garrard County High School** \$49,327 Garrard County Funds.

Ms. Brown moved with a second from Larry Clay that the Board adopt the committee's recommendation. The motion passed without objection.

In order to avoid a conflict of interest, Larry Clay excused himself from the room during the discussion of and vote on the Heifer Development project.

**Project #403 Heifer Development Project** \$37,080 State Funds; \$97,750 Jackson County Funds.

Ms. Brown moved with a second from Commissioner Smith that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #414 McCreary County Ag. Development Council** \$2,060 McCreary County Funds.

Ms. Brown moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #428 Mid South Pork** \$1,000 Washington County Funds.

Ms. Brown moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #430 Washington County Young Farmers** \$6,000 Washington County Funds.

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #445 Madisonville North Hopkins High School FFA** \$11,000 Hopkins County Funds.

Ms. Brown moved with a second from Willa Poynter that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #447 South Kentucky Agricultural Development** \$60,900 Pulaski County Funds.

Ms. Brown moved with a second from Susan Harkins that the Board adopt the committee's recommendation. The motion passed without objection.

**Project #479 Washington County Grape Growers Assoc.** \$275,492 Washington County Funds.

Ms. Brown moved with a second from Sam Moore that the Board adopt the committee's recommendation. The motion passed without objection.

Approved Programs:

Ms. Brown stated that the Project Review Committees' recommended board approval for the following programs. These programs are all funded from county funds:

#### Cattle Genetics Programs:

App#	Project Name	County	County Funds
254	Hardin County Beef Cattle Association	Hardin	\$38,500.00
311	Wolfe County Conservation District	Wolfe	\$75,600.00
323	Grayson County Genetic Improvement Program	Grayson	\$50,000.00
331	Pulaski County Cattlemen's Association	Pulaski	\$75,000.00
340	Green River Beef & Forage Initiative	Henderson	\$30,000.00
348	Eastern Foothills Cattlemen's Association	Rowan	\$75,000.00
349	Eastern Foothills Cattlemen's Association (Elliott)	Elliott	\$75,000.00
356	Northern Kentucky Cattle Association (Kenton)	Kenton	\$42,000.00
420	Logan County Cattlemen's Association (Beef)	Logan	\$37,500.00
429	Washington County Cattleman's Association	Washington	\$155,287.00
440	Bath County Cattlemen's Association, Inc.	Bath	\$70,966.00
442	Meade County Cattlemen's Association	Meade	\$35,000.00
449	Montgomery County Cattleman's Association	Montgomery	\$200,000.00
450	Nelson Co. Beef Cattle Association	Nelson	\$73,500.00
452	McCreary County Ag. Development Council	McCreary	\$8,000.00
457	Jessamine County Beef Cattle Assoc.	Jessamine	\$51,000.00
460	Fleming County Cattlemen's Association	Fleming	\$101,000.00

#### Forage Improvement Programs

App#	Project Name	County	County Funds
257	Metcalfe County Livestock Improvement Association	Metcalfe	\$78,432.00
291	Casey County Conservation District	Casey	\$315,000.00
312	Wolfe County Conservation District	Wolfe	\$149,100.00
333	Pulaski County Conservation District	Pulaski	\$199,828.00
345	Cumberland County Soil Conservation District	Cumberland	\$121,200.00
384	Mercer County Conservation District	Mercer	\$202,000.00
396	Buffalo Trace ADD	Fleming	\$105,000.00
421	Logan Conservation Districts	Logan	\$96,000.00
422	Logan Conservation Districts	Logan	\$8,500.00
432	Bourbon County Fiscal Court	Bourbon	\$250,000.00
434	Hart County Conservation District	Hart	\$262,500.00
436	Breckinridge Co. Beef Improvement Council	Breckinridge	\$52,500.00
437	Mason County Conservation District	Mason	\$150,000.00
439	Lincoln County Livestock Improvement Cooperative Association, Inc.	Lincoln	\$100,000.00
448	Montgomery County Conservation District	Montgomery	\$236,500.00
501	Hardin County Beef Cattle Association	Hardin	\$37,000.00
523	Clark County Conservation District	Clark	\$202,000.00
524	Harrison County Beef Cattle Assoc.	Harrison	\$125,000.00

#### Cattle Handling Facility Cost Share Programs

App#	Project Name	County	County Funds
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17	Madison County Beef Cattle Association	Madison	\$100,000.00
43	Monroe County Conservation District	Monroe	\$71,000.00
97	Mason County Livestock Improvement Association	Mason	\$150,000.00
476	Green River Beef & Forage Initiative	Daviess	\$21,040.00
500	Meade County Cattlemen's Association	Meade	\$35,000.00
502	Hardin County Beef Cattle Association	Hardin	\$24,000.00
515	Shelby County Cattlemen's Assoc, Inc.	Shelby	\$62,500.00
522	Anderson County Cattleman's Association	Anderson	\$43,250.00
531	Jessamine County Beef Cattle Association	Jessamine	\$102,000.00
578	Bath County Cattlemen's Association, Inc.	Bath	\$141,834.00

#### **Animal Removal Cost Share Programs**

<b>App#</b>	<b>Project Name</b>	<b>County</b>	<b>County Funds</b>
456	Washington County Conservation District	Washington	\$11,178.00
496	Lexington-Fayette Urban County Govt.	Fayette	\$8,618.00
505	Gallatin Expired Animal Removal - GEAR	Gallatin	\$4,400.00
509	Edmonson County Fiscal Court	Edmonson	\$5,064.00

Ms. Yates moved with a second from Sam Moore that the Board adopt the committees' recommendations. The motion passed without objection.

#### **Project Referrals to Kentucky Center for Agricultural Development and Entrepreneurship (KCADE):**

Mr. Lawson stated that the Project Review Committee recommended that the following projects be referred to KCADE for further development and/or research:

<b>App#</b>	<b>Project Name</b>	<b>County</b>
368	First Little Pig Manufacturing	Green
405	Kentucky's Finest Sausage*	Simpson

Mr. Lawson moved with a second from Susan Harkins that the Board adopt the committees' recommendations. The motion passed without objection.

#### **Applications Recommended for No Funding:**

Mr. Lawson stated that the Project Review Committee recommended no funding for the following projects:

<b>Appl#</b>	<b>Project Name</b>	<b>County</b>
11	Appalachian Ginseng Foundation	State
23	Central Kentucky Ag Development Assoc.	Pulaski
27	Fiddler's Friend Feed Mill*	State
28	Garrard County Farmer's Market	Garrard
30	David Watts (Lincoln)	Lincoln
31	Tonya Watts (Lincoln)	Lincoln
40	Monroe County Worm Growers*	Monroe

41	Wilson's Hay Service (Monroe)	Monroe
46	Larue County Beef Association	Larue
47	Dudley Glass (Scott)	Scott
48	Alan Glass (Scott)	Scott
49	Dennis Pennington (Scott)	Scott
50	Leer Farm Partnership (Scott)	Scott
51	Mulholland Farm (Scott)	Scott
52	Amerson Farm Orchard (Scott)	Scott
53	E. R. Stone Farm, LLC (Scott)	Scott
54	Ronnie Jacobs (Scott)	Scott
55	Evans Farm (Scott)	Scott
56	Mark A. Wells (Scott)	Scott
57	Lilly's Wildwood Boar Goats (Scott)	Scott
58	Adam Probst (Scott)	Scott
59	Charles Beavers (Scott)	Scott
60	Roy Kettenring (Scott)	Scott
61	David McDowell (Scott)	Scott
62	James Lyons (Scott)	Scott
63	Gayle Tackett (Scott)	Scott
64	Dale Glass (Scott)	Scott
65	Darrell Lyons (Scott)	Scott
66	Jim Hamilton (Scott)	Scott
67	David Hawkins (Scott)	Scott
68	Steve Perkins (Scott)	Scott
70	Fayette County Conservation District	Fayette
74	Lovell Gardens (Muhlenberg)	Muhlenberg
85	Appalachian Fresh Food Processors*	State
110	Russell County Cattleman's Assoc.	Russell
121	Allen County Conservation District	Allen
131	Gary & Susan Evans	Calloway
139	Bill Payne (Lincoln)	Lincoln
162	T & R Hay Wrappin'	Fleming
166	Green River Worm Producers*	Green
175	Green County Cattlemen's Association	Green
192	KY Community & Technical College System	State
201	Scott County Agriculture Diversification Foundation, Inc.	Scott
229	Irvin Stephens*	Hancock
269	James H. Petrey (Appeal 6/15/01 No Funding Decision)	Shelby
317	Creekside Vermiculture*	Larue
336	Western Kentucky University	Logan
337	Logan/Todd Regional Water Co	Logan/Todd
342	Robert Francis Burden	Harrison
343	Charles Michael Marsh	Harrison
352	Randall Richard	Adair
353	Reed Gist	Adair
355	Ronnie McConnell	Robertson
357	Orval Snider	Spencer

358	Maplebrook Dairy	Spencer
359	Leonard Hammond Farm	Spencer
362	J.D. Cline	Edmonson
363	Charlie Tarter	Edmonson
364	Jackie Cline	Edmonson
365	Brian and Cherry Tarter	Edmonson
366	Western Kentucky University	Edmonson
367	Richard and Sue Sanders Farm	Edmonson
370	Ernest Price	Green
373	Logan/ Todd Regional Water Commission	Todd
374	Metcalfe County Livestock Improvement Association	Metcalfe
376	Campbell's Hunting Lodge	Lewis
379	CDP Enterprises	State
383	Willie Pettit	Mercer
388	Dry Fork Nursery	Lawrence
394	Wilson Farms	Garrard
402	Barren County Fiscal Court	Barren
407	Western Kentucky University	Monroe
408	City of Cave City	Monroe
411	Gary and Susan Evans	Calloway
412	Christopher McKeehan	State
415	Western Kentucky University	Hart
416	Bart D. Harris	McCracken
417	Rolling Hills Dairy Farm	Warren
423	Robert L. Williams, Jr.	Logan
424	Burchett Family Farms	Logan
435	Green River Dairy Association	Hart
443	Lancaster Farms	Meade
444	Danny Redmon	Meade

Susan Harkins moved with a second from Sam Moore that project #146 be removed from no funding and be placed back into pending status. The motion passed without objection.

Sam Lawson moved with a second from Susan Harkins that the Board adopt the committees' recommendation as amended. The motion passed without objection.

### **Mare Reproductive Loss Syndrome:**

John-Mark Hack discussed a project proposal requesting \$56,400 in state funds for an epidemiological investigation of early and late-term abortions, stillbirths, neonatal illness, and pericarditis among horses in central Kentucky.

After discussion of the proposal, Susan Harkins moved with a second from Larry Clay that the project be funded. The motion passed without objection.

### **County Plan Review Committee Report:**

Willa Poynter presented the County Plan Review Committee Report. She advised that the Committee met by conference call on July 19.

County Comprehensive Plans have been received from all 120 counties in the state. As of 6/15/01, 63 plans have been approved

Ms. Poynter advised that the County Plan Review Committee recommended approval of the following County Comprehensive Plans:

Ballard <sup>b</sup>	Hickman
Bell	Jessamine
Boyd*	Johnson*
Boyle	Laurel*
Caldwell	Letcher
Calloway <sup>a</sup>	Lewis*
Carlisle*	Martin
Clay <sup>b</sup>	McCracken
Crittenden*	Muhlenberg <sup>b</sup>
Edmonson*	Nelson
Elliott*	Ohio
Fayette*	Oldham
Floyd	Robertson
Franklin	Rowan
Garrard	Todd <sup>b</sup>
Grant	Trimble
Greenup*	Washington <sup>b</sup>
Harlan	Woodford*

a – update of a previously approved plan

b – need to clarify short-term priorities

\*Approved contingent on including clarifying statements on cost share policies.

### **Goat Diversification Program:**

Ben Gramig discussed the basic components of the goat program proposed by the task force that developed the program with the assistance of the Kentucky Department of Agriculture. He outlined the three main components of the program for the group and let the Board know that members of the task force were present to answer any questions related the proposed program. No questions were asked.

Larry Clay moved with a second from Susan Harkins that the Board approve the Goat Program. The motion passed without objection.

Sam Moore moved with a second from Wayne Hunt that the Board grant staff authority to approve Goat Program project proposals that fall within the guidelines of the program. The motion passed without objection.

**Agricultural Diversification Program:**

David Bratcher discussed the proposed Diversification Program previously submitted to the members for review.

He stated that this program would allow investment of county funds for individual projects, a revolving loan fund, etc.

There was discussion of the program. The following changes were recommended:

Expand the limits set on the proposals; state that the projects must be commercially liable and fall within the county plan; Board should set areas of investment and others should be presented to the Board for approval.

Changes will be made and a final document will be presented to the Board for approval.

**Northeast/Southern Dairy Compacts:**

Andrew Meyer, Director of the Southern Dairy Compact discussed the need for Dairy Compacts. He advised that without the compact the few dairy farmers left in the South would be forced out of business. The Northeast and Southern Dairy Compacts provide price support mechanisms for dairy producers in the states where compacts are enacted. Mr. Meyer submitted a proposal to the Board for \$100,000 to support a multi-state effort to facilitate ratification by Congress of the Northeast and Southern Dairy Compacts.

John-Mark Hack advised that the proposal would be discussed at the September meeting of the ADB.

With no further business the meeting adjourned at 1:45.